



FISCAL MEMORANDUM

SB 280 - HB 328

March 28, 2023

SUMMARY OF BILL AS AMENDED (006794): Enacts the *Tennessee Local Development Authority Public Safety Protection Act of 2023* (Act), which authorizes the Tennessee Local Development Authority (Authority) to issue its revenue bonds and make the bond proceeds or state appropriations available for loans to counties or volunteer fire departments for the purchase of equipment for public safety officers.

FISCAL IMPACT OF BILL AS AMENDED:

Other Fiscal Impact – The extent and timing of any future appropriations from the General Fund to the Tennessee Local Development Authority, as well as any future loans from the Authority to counties cannot be determined. Additionally, any permissive increase to local revenue as a result of receiving such loans cannot be estimated.

Assumptions for the bill as amended:

- The *Tennessee Local Development Authority Rural Fire Protection Equipment Act of 1986* (Act of 1986) authorizes the Authority to issue its revenue bonds and to make the proceeds available for loans to counties for the purchase of equipment for the use of county or volunteer fire departments.
- The proposed legislation deletes the Act of 1986 and replaces it with the Act, empowering the Authority to make state appropriations available for loans, in addition to revenue bond proceeds; the legislation also expands the types of equipment that may be purchased to include equipment for firefighters, law enforcement officers, emergency medical services personnel, and emergency communications dispatchers.
- The Act retains the operations and repayment schedule of the Act of 1986; it is not expected that the proposed legislation would have a significant impact on state operations.
- Any future state appropriation to the Authority would result in an increase to state revenue for the Authority and an equal, corresponding increase to state expenditures from the General Fund; the extent and timing of such impacts to state government cannot be forecasted.
- Expanding the types of equipment that may be purchased with such loans may cause more counties to seek loan agreements with the Authority, the result of which would be an increase to state expenditures and an equal, corresponding increase to local revenue.

Such impacts will be dependent on the individual terms of each loan agreement and cannot be estimated.

- The Act authorizes the Authority to establish a separate special trust fund for each separate loan and for the repayment of such loan by the county; a special trust fund will be established utilizing existing staff and resources, resulting in no significant increase to state operations.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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